

Curt Pringle, Chairman
Tom Umberg, Vice-Chair
Russell Burns
David Crane
Rod Diridon, Sr.*
Fran Florez*
Richard Katz
Judge Quentin L. Kopp*
✓ Schenk
✓ st chair

ARNOLD SCHWARZENEGGER
GOVERNOR



CALIFORNIA HIGH-SPEED RAIL AUTHORITY

MEMORANDUM

To: Chairman Pringle and Authority Members **Date:** November 5, 2009
From: Sam Newman
Subject: Approval of Board Minutes

Attached is a draft of the minutes from the September 3rd board meeting. Please review and provide me with your written corrections, if any.

According to the adopted board policy, any corrections will be made to the draft and will be presented to the board in final form for adoption in December.

Curt Pringle, Chairman
Tom Umberg, Vice-Chair
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Judge Quentin L. Kopp*
Lynn Schenk
Chair

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CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD MEETING MINUTES

September 3, 2009

SACRAMENTO, CALIFORNIA

The meeting of the California High-Speed Rail Authority was called to order on September 3, 2009 at 10:18 AM at the Sacramento City Council Chambers in Sacramento, CA.

Call to Order and Roll Call

Members Present: Curt Pringle, Chairman
Thomas Umberg, Vice-Chairman (remotely from Camp Eggers, Afghanistan)
Quentin Kopp
Fran Florez
Rod Diridon, Sr.
Lynn Schenk
Richard Katz
David Crane
Russell Burns

Pledge of Allegiance

Administered by the Chairman of the Board

Public Comment

An opportunity for public comment was provided at the beginning of the Board meeting.

Approval of Board Policies and Procedures

Chairman Pringle presented the Board Policies and Procedures to the board for approval, Mr. Katz moved to adopt the policies and procedures, Judge Kopp seconded, the motion was adopted unanimously.

Chairman Pringle stated Vice-Chairman Umberg was sitting on the Board remotely from Afghanistan. Vice-Chairman Umberg had been deployed in the weeks prior to the board meeting and is serving our country in the Army Reserves.

Pending Legislation

Staff provided a written report updating the Board on the bills being considered by the Legislature.

American Recovery and Reinvestment Act Grant Application

Executive Director Morshed stated a letter had been received from Speaker Bass and Assemblywoman Galgiani supporting the High Speed Rail Authority's work and proposed

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projects for the ARRA applications. Mr. Morshed stated Bass and Galgiani planned to visit Washington, DC to discuss their support and assist with the application at the federal level.

Executive Director Morshed stated the FRA process includes very tight deadlines which the Authority must meet. The application included tracks 1, 2, 3 and 4 however only track 2 is eligible, which is a program of projects intended for applicants to apply with a list of projects that will result in the building of a high speed rail system. Staff provided the board with a report listing the projects within the San Francisco to Anaheim segment that the Authority believes are capable of meeting the requirements of the FRA. Mr. Morshed recommended the board direct staff as to what actions should be taken in order to move forward with the preparation of specific applications. Mr. Morshed suggested the board should take into consideration the comments received regarding each of the corridors and direct staff as to the amount of dollars that should be applied for within the three corridors.

Mr. Morshed also stated in order to make the applications more competitive, the Authority should offer to provide matching funds to federal dollars so that it would help the scoring in awarding California's investment. Staff recommended dollar for dollar matching funds. Mr. Morshed asked the board to deliberate on that amount and instruct staff accordingly. The deadline for the application is October 2, 2009 which also happens to be a furlough Friday. Mr. Morshed suggested the board meet on September 23, 2009 to provide ample time for the review and deliberation of the projects to be included in the application in order to meet the October 2nd deadline. Staff would present their recommendations to the board on September 23rd.

Ms. Schenk asked if she would be able to participate remotely, similar to Vice-Chair Umberg, for the September 23rd meeting. Executive Director Morshed stated that would be possible as long as there was prior public notice as to where Ms. Schenk would be located remotely, as well as the location being open to the public.

Mr. Morshed stated the three corridors are all in the beginning, middle or end of the environmental process. There are many items in those corridors that have not been decided yet and are still under study; many of which might not be decided until the conclusion of the environmental work. Staff made general cost estimates because of this. Additionally, the figures used in the report are 2009 cost estimates. The application requires the cost estimates provided be in the year of construction. Which means, for each project, staff needs to go back and figure out the midpoint of construction dates and escalate it to that year. This means the figures that will appear on the application will be 20-30% higher at 5% inflation over 4 years.

Mr. Morshed also stated staff are still reviewing the FRA rules and have not decided whether to apply using numerous applications or one application for the program which would list the projects within the application. Staff will request verification from the FRA regarding application submittal.

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Chairman Pringle expressed concern that Caltrans will be applying for Track 2 funds in competition with High Speed Rail. It was his understanding from Caltrans and the Governor's office they would only be applying for Track 1 funding. He wants to be certain the Governor's office is in total support that the maximum amount of Track 2 funding for California is being directed to High Speed Rail development.

Mr. Diridon indicated he believed Caltrans would only apply for Track 1 funding for specific projects including grade separations, and that Track 2 funding was reserved for systems.

Ms. Shenk suggested it be documented there will be further conversations with the Governor's office to ensure High Speed Rail, Caltrans and the Governors' office will be able to communicate effectively and be in agreement prior to submitting the Track 2 application.

Mr. Diridon suggested applying for more than half of the available Track 2 funds to ensure High Speed Rail would receive at least half if cuts were made at the federal level. He also suggested the list of projects submitted with the Track 2 funding application be needs based and not fiscally based so if cuts were made the low priority projects would simply fall off.

Mr. Crane asked if the inflation assumption used to determine the cost estimates were assumptions the Federal government instructed staff to use. Mr. Morshed indicated he will have staff research the inflation rate used to be certain the Track 2 application figures are accurate.

Judge Kopp made a motion to direct staff to use an application value range of \$3.5 billion to \$4.5 billion when completing the Track 2 funding application. The motion was seconded by Mr. Burns. Motion was adopted with Mr. Diridon opposing.

Mr. Diridon made a motion to establish a matching funds provision on the application of a one-to-one match from federal funds to state, local and private funds. The motion was seconded by Mr. Katz and was adopted unanimously.

A motion was made by Judge Kopp to direct staff to review expanded options of available projects in the central valley with the modifications noted as they are listed. The motion was seconded by Mr. Burns. Motion was adopted with Ms. Florez opposing.

A motion was made by Judge Kopp to agree to a special board meeting to be held on September 23, 2009 at which time the board would review the staff recommendations for projects to be included in the ARRA funding Track 2 Grant application. The motion was seconded by Mr. Katz and was adopted unanimously.

Approval of Public Information and Communications Contractor

This item was deferred to the October 1 board meeting.

Los Angeles Metropolitan Transportation Authority Memorandum of Understanding

A motion was made to approve the Los Angeles Metropolitan Authority MOU by Mr. Diridon and seconded by Ms. Schenk. Motion was adopted unanimously with Mr. Katz being absent.

Adoption of Meeting Minutes: July 2, 2009 and August 6, 2009

Mr. Diridon moved the minutes be approved and Judge Kopp seconded the motion. Motion carried unanimously.

Member's Reports

Mr. Diridon reported on two National High Speed Rail events taking place before the end of October. He will e-mail the details to the Board.

Judge Kopp reported on his analysis of the 22 page decision in the case of the town of Atherton, et.al. Vs. California High Speed Rail Authority.

Executive Director's Report

Mr. Morshed mentioned the weekly Executive Director's report, which is provided to the board by the Deputy Director of Communication and Outreach.

Mr. Morshed explained that if you have had any recent issues with telephone calls, etc. when trying to reach him, he is without a secretary at this time.

The German Consulate has invited the Board and some legislative members to visit Germany before the end of this year.

Additional Public Comment

- Dylan Gibbons spoke on behalf of Assemblywoman Connie Conway
- Assemblywoman Galgiani spoke about her upcoming visit to Washington, D.C. on behalf of CHSRA
- A representative spoke on behalf of Senator Jeff Denham

Chairman Pringle introduced Mr. Marcelli, Council General for Italy and indicated he would sign the approved Italian MOU after they adjourned for the closed session portion of the meeting.

The meeting was adjourned at 12:45pm.